

## **Home Ownership: Empowering New Buyers** **MassHousing – Opportunity Knocks**

There is no greater basic challenge for housing finance agencies than the need to find new, evolving and expanded opportunities to attract new homebuyers. Given the current subprime mortgage crisis, the need for this kind of effort by HFAs is even more acute.

In the late winter of 2008, MassHousing staff looked at the bleak housing market in Massachusetts with dismay. First time homebuyers' fears about the downturn in the real estate market had become a self-fulfilling prophecy of bad news. Prospective buyers, worrying that the market had not yet reached bottom, stood on the sidelines, wringing their hands with worry ... and waiting. At the same time, a dearth of buyers in the real estate market served to perpetuate – in part – the market's tumble.

All of this was in spite of the fact that the combination of lower property values, increases to personal income and near record low interest rates, had narrowed the affordability gap for first time homebuyers to the smallest margin in decades.

MassHousing wanted to find a way to be part of the solution – and we knew it had to feature a new twist. The idea was for a statewide event of homebuyer fairs all held on one weekend in May of 2008. This was something that the Agency had never done before.

The new twist was to reach out to new stakeholders – as well as our existing business partners – and in this case that meant the Massachusetts Association of Realtors®. MassHousing had worked for years to overcome the perception that in a high cost market like Massachusetts it was too difficult for low-income homebuyers to find affordable homes within MassHousing's sales price and loan limits. Given the current market conditions in 2008, this is less true than ever – and we needed the actual property listings from the realtors' group to prove it.

MassHousing reached out to the Massachusetts Association of Realtors® (MAR) with an idea to change consumer attitudes toward the market and homebuying and raise awareness that a surprisingly large number of homes in Massachusetts were eligible for safe, affordable and sustainable home financing from MassHousing. The idea was simple. Coordinate a number of home fairs across the state with open houses for properties within MassHousing's sales price limits. The Massachusetts Association of Realtors® was excited about the idea and quickly accepted our invitation to partner on the event. The theme for the event was *“There has never been a better time to buy a home in Massachusetts than now!”* and MassHousing branded the event, *“Opportunity Knocks.”* The theme and event name would be incorporated into all event marketing by both the Realtors® and MassHousing.

The partnership between MAR and MassHousing divided the work between the two organizations. The Realtors® would identify homes for sale within MassHousing's sales limits, coordinate open houses to be held for two days during the Opportunity Knocks weekend (Friday, May 30 through Sunday, June 1), and make information available on those open houses through a dedicated website that homebuyers could visit prior to and during the Opportunity Knocks weekend. MassHousing would assume responsibility for coordinating the home fairs, and arranging for publicity and advertising for the weekend events.

MassHousing identified six areas that have been hardest hit by the declines in the state's real estate market as locations for home fairs. Five of the six areas were communities identified by Massachusetts Governor Deval Patrick as deserving of special government attention due to the high foreclosure rate in those communities. These communities are Boston, Lawrence, Brockton, Springfield and Worcester. The sixth area was Cape Cod, where the effects were not as concentrated as in the other cities, but which were just as severe and spread over many communities.

Venues for the home fairs were centrally located, publicly and privately owned facilities that included hotels, senior citizens' centers, conference centers, and community college conference facilities. MassHousing absorbed the cost of the facilities, food and beverages served, and police security where required. Location costs were approximately \$30,000.

MassHousing invited 30 to 40 participants to each home fair with no charge to the participants. These participants included the top 10 to 15 MassHousing lenders in each of the six markets, along with the leading Realtors® who conducted the open houses, as well as local non-profit home counseling agencies. MassHousing provided posters, flyers and postcards to each participant requesting their assistance in promoting the event.

MassHousing funded advertising, which ran in the daily newspapers of the six home fair communities, the weekend before and the Friday of the weekend event. Approximately \$12,000 was spent on the advertising. The advertising promoted the event and directed readers to the MAR and MassHousing event websites.

MassHousing enlisted the help of Massachusetts Lieutenant Governor, Tim Murray, who announced the "Opportunity Knocks" event on a press conference phone call with statewide media outlets. The event was discussed on a highly-rated, Boston-based radio talk show during the morning drive period and included Lt. Governor Murray and MassHousing Executive Director Tom Gleason as panelists. Additional publicity for the event included appearances by MAR and MassHousing executives on radio and cable television programs across the state. The major newspapers in each of the markets where the home fairs were held ran articles both before and after the event speaking to the theme that homeownership has never been more affordable in Massachusetts.

The Massachusetts Association of Realtors® worked in collaboration with the state's automated real estate multiple listing service to get Realtors® to identify the homes where open houses would be held, and post information on those homes on a dedicated website. MassHousing business development staff assisted by recruiting Realtors® to participate who were strong supporters of MassHousing. The result was an identification of over 1,200 homes that would be promoted as MassHousing eligible with most homes being shown as open houses during the Opportunity Knocks weekend. Many of those listings were in and around the locations where home fairs were held.

Listings were also published online on a dedicated website. Each participating Realtor®'s individual website ran links to the event site. MassHousing created its own website [www.masshomefair.com](http://www.masshomefair.com) and ran links to it from the masshousing.com website, and from the event site back to MassHousing. The MAR website had over 10,000 hits the week prior to and during the event weekend.

The first home fair was held in Boston as a kick-off event on Friday, May 30. It was held outside at a high traffic area on Boston's City Hall Plaza, complete with tents, balloons and huge banners. MassHousing also enlisted the support of our great business partner – the City of Boston. The city's office of Neighborhood Development provided extensive support for the event, including advertising and trolleys that shuttled prospective homebuyers to homes for sale all over the city. In all, over 1,000 people attended the homebuyer fair in Boston and Boston Mayor Tom Menino attended the morning's event and walked around the fair for close to an hour greeting prospective buyers and meeting lenders, realtors and homebuyer counselors to thank them for their participation.

The remaining home fairs drew smaller crowds. But while attendance was smaller at the other locations, those who attended were focused homebuyers looking for information on buying a home. One homebuyer actually attended the event, was pre-approved by a participating lender, enrolled in a homebuyer counseling course, visited an open house and bought a home that very weekend.

Total attendance for the six events was just under 2,000. When surveyed, every participating lender, Realtor®, and non-profit felt their participation was worthwhile and unanimously responded that they would participate in future events.

A real estate company that participated in three home fairs and spent a considerable amount of money itself marketing the event, indicated that they would consider the event a success if they sold eight homes. They believe they can attribute a minimum of 12 sales to contacts made during the home fairs, and buyers who visited the advertised open houses. We have similar anecdotal reports from every real estate office that participated in the home fairs and held open houses.

At the same time, every participating homebuyer counseling agency reported increases in homebuyer counseling session enrollment in June. Some which had previously struggled to enroll enough homebuyers to hold regularly scheduled events reported that sessions were being sold out, largely with homebuyers who visited with them during the Opportunity Knocks home fairs.

In the weeks and month that followed the events, MassHousing enjoyed its highest mortgage purchase and insurance production in recent memory. MassHousing funded a total of 246 loans for \$44.6 million in June 2008, the month following the event. MassHousing's Mortgage Insurance Fund insured an additional \$10.1 million in non-MassHousing purchased loans. As of this writing MassHousing was on pace to exceed its June 2008 record level production again in July.

By every measure – increased homebuyer counseling enrollment, directly attributable real estate sales, and related increases in MassHousing loan activity – the event was a huge success. More importantly it galvanized the Realtors®, non-profits, and MassHousing and its lenders as a coordinated team working toward a common goal. That collaborative partnership continues. Future Opportunity Knocks events are planned for the fall of 2008 and the spring of 2009.